

RESOLUTION NO. 3462

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$19,000,000 PRINCIPAL AMOUNT OF CITY OF SCOTTSDALE, ARIZONA, GENERAL OBLIGATION BONDS, PROJECT OF 1989, SERIES B (1991); PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; PROVIDING TERMS, COVENANTS AND CONDITIONS CONCERNING THE BONDS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS; APPOINTING A REGISTRAR AND PAYING AGENT FOR THE BONDS; AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCOTTSDALE, ARIZONA, AS FOLLOWS:

**Section 1. Authorization.** For the purpose of providing funds to make certain of the public improvements the bond financing of which was authorized by the qualified electors of the City of Scottsdale, Arizona (the "City") at the special bond election held on November 7, 1989, there is hereby authorized to be issued and sold \$19,000,000 principal amount of City of Scottsdale, Arizona, General Obligation Bonds, Project of 1989, Series B (1991) (the "Bonds").

**Section 2. Terms.** The Bonds will be dated October 1, 1991, and will bear interest from their date to the maturity of each of the Bonds at the rates per annum established by the accepted proposal for the purchase of the Bonds, a copy of which is attached hereto as Exhibit B, the first interest payment date to be January 1, 1992, interest payable semiannually thereafter on January 1 and July 1 during the term of the Bonds, the Bonds to be in the denomination of \$5,000 each or integral multiples thereof, in fully registered form. The Bonds will mature, or with respect to principal scheduled to become due in one or more of the years 2008 to 2010, be redeemed by mandatory redemption if so specified in the purchaser's bid, on July 1 in the years 1996 to 2011, inclusive as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1996	\$685,000	2004	1,175,000
1997	740,000	2005	1,250,000
1998	800,000	2006	1,335,000
1999	855,000	2007	1,420,000
2000	915,000	2008	1,515,000
2001	975,000	2009	1,620,000
2002	1,035,000	2010	1,730,000
2003	1,100,000	2011	1,850,000

### Section 3. Prior Redemption.

A. Optional Redemption. Bonds maturing on or before July 1, 2001, are not subject to call for redemption prior to maturity. Bonds maturing on or after July 1, 2002 are subject to call for redemption prior to maturity, at the option of the City, on and after July 1, 2001, in whole at any time, or in part on any January 1 or July 1, by the payment of the principal amount of each Bond called for redemption plus accrued interest to the date fixed for redemption plus a premium payable from any source lawfully available therefor, the premium to be computed as follows:

<u>Redemption Dates</u>	<u>Premium</u>
July 1, 2001 through June 30, 2002	1%
July 1, 2002 and thereafter	0%

B. Mandatory Redemption. If so specified by the purchaser's bid, Bonds in the form of a term bond shall be subject to mandatory redemption prior to maturity, by lot, at a redemption price of par plus accrued interest to the date of redemption, but without premium, on July 1 of the years and in principal amounts equal to the respective serial maturities which the bidder combined into a term bond.

C. Notice. Notice of redemption will be given by mail to the registered owners of the Bonds at the address shown on the bond register maintained by the bond registrar not less than 30 days nor more than 60 days prior to the specified redemption date.

D. Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, and, if moneys for payment of the redemption price and accrued interest are held in separate accounts by the paying agent, interest on such Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security hereunder and the owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest and such Bonds shall be deemed paid and no longer outstanding.

Section 4. Use of Proceeds. The net proceeds from the sale of the Bonds, after payment of the expenses of issuance, shall be set aside and used for the following purposes authorized at the special bond election of November 7, 1989:

<u>Ballot Question and Purpose</u>	<u>Amount</u>
1. Transportation Improvements	\$10,631,500
3. Police, Fire and Court Facilities	1,368,500
4. Storm Sewer and Flood Protection	2,410,500
5. Parks, Recreational Facilities and Public Libraries	900,000
6. Multi-use Sports and Cultural Facilities	949,900
7. Indian Bend Wash Bike and Pedestrian Path	100,000
8. Street Lighting	879,000
9. Downtown Streetscape	1,760,600

Bonds from ballot questions 1, 3 and 9, in the aggregate amount of \$13,760,600, will be charged against the City's 6% debt limit (Article 9, Section 8, Arizona Constitution) and Bonds from ballot questions 4, 5, 6, 7 and 8, in the aggregate amount of \$5,239,400, will be charged against the City's 20% debt limit. Bonds charged against the 6% debt limit shall be the earliest Bonds retired, scheduled for retirement in the years 1996 to 2008. Bonds charged against the 20% debt limit shall be retired after Bonds charged against the 6% debt limit, scheduled for retirement in the years 2008 to 2011. The foregoing determination is subject to the reserved right of the Council to modify the determination of the voted purposes for which the Bonds were issued on or before retirement of the Bonds as authorized by law.

**Section 5. Form of Bonds.** The Bonds shall be in substantially the form of Exhibit A, attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby or by the Notice Inviting Proposals for the Purchase of Bonds and are approved by those officers executing the Bonds and execution thereof by such officers shall constitute conclusive evidence of such approval.

The Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond shall show the date of its authentication and registration.

**Section 6. Execution of Bonds.** The Bonds shall be executed for and on behalf of the City by the Mayor and attested by the Clerk by their facsimile signatures and the City seal will be mechanically reproduced on the Bonds.

If an officer whose signature is on a Bond no longer holds that office at the time the Bond is authenticated and registered, the Bond shall nevertheless be valid.

A Bond shall not be valid or binding until authenticated by the manual signature of an authorized officer of the Registrar. The signature shall be conclusive evidence that the Bond has been authenticated and issued under this Resolution.

**Section 7. Mutilated, Lost or Destroyed Bonds.** In case any Bond becomes mutilated or destroyed or lost, the City shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, upon the registered owner's paying the reasonable expenses and charges of the City in connection therewith and, in the case of the Bond destroyed or lost, filing with the City Clerk by the registered owner evidence satisfactory to the City that such Bond was destroyed or lost, and furnishing the City with a sufficient indemnity bond pursuant to § 47-8405, Arizona Revised Statutes.

**Section 8. Acceptance of Proposal.** The proposal of Dean Witter Reynolds Inc. for the purchase of the Bonds is hereby accepted and the Bonds are hereby ordered sold to such purchaser in accordance with the terms of such proposal and the terms and conditions of the Notice Inviting Proposals for the Purchase of Bonds. The Bonds will bear interest at the rates set forth in the accepted proposal, a copy of which is attached hereto as Exhibit B and is on file with the City Clerk.

The Treasurer is hereby authorized and directed to cause the Bonds to be delivered to the purchaser upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the sale.

**Section 9. Registrar and Paying Agent.** The City will maintain an office or agency where Bonds may be presented for registration of transfer (the "Registrar") and an office or agency where Bonds may be presented for payment (the "Paying Agent"). The City may appoint one or more co-Registrars or one

or more additional Paying Agents. The Registrar and Paying Agent may make reasonable rules and set reasonable requirements for their respective functions with respect to the owners of the Bonds.

Initially, The Valley National Bank of Arizona, Phoenix, Arizona, will act as Registrar and Paying Agent with respect to the Bonds. The City may change the Registrar or Paying Agent without notice to or consent of owners of the Bonds and the City may act in any such capacity.

Each Paying Agent will be required to agree in writing that the Paying Agent will hold in trust for the benefit of the owners of the Bonds all money held by the Paying Agent for the payment of principal of and interest and any premium on the Bonds.

The Registrar may appoint an authenticating agent acceptable to the City to authenticate Bonds. An authenticating agent may authenticate Bonds whenever the Registrar may do so. Each reference in this Resolution to authentication by the Registrar includes authentication by an authenticating agent acting on behalf and in the name of the Registrar and subject to the Registrar's direction.

The Registrar shall keep a register of the Bonds, the registered owners of the Bonds and of transfer of the Bonds. When Bonds are presented to the Registrar or a co-Registrar with a request to register a transfer, the Registrar will register the transfer on the registration books if its requirements for transfer are met and will authenticate and deliver one or more Bonds registered in the name of the transferee of the same principal amount, maturity and rate of interest as the surrendered Bonds. The "Record Date" for the Bonds will be the close of business of the Registrar on the 15th day of the month preceding an interest payment date. Bonds presented to the Registrar for transfer after the close of business on the Record Date and before the close of business on the next subsequent interest payment date will be registered in the name of the transferee but the interest payment will be made to the registered owners shown on the books of the Registrar as of the close of business on the Record Date.

The Registrar shall authenticate Bonds for original issue up to \$19,000,000 aggregate principal amount upon the written request of the Treasurer. The aggregate principal amount of Bonds outstanding at any time may not exceed that amount except for replacement Bonds as to which the requirements of the Registrar and the City are met.

**Section 10. Resolution a Contract.** This Resolution shall constitute a contract between the City and the registered owners of the Bonds and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds then outstanding.

**Section 11. Compliance with Federal Law.** The City recognizes that the purchasers and owners of the Bonds will have accepted them on, and paid therefor a price which reflects, the understanding that interest thereon is excludible from gross income of the owners thereof for federal income tax purposes under laws in force at the time the Bonds shall have been delivered. In this connection the City agrees that it shall take no action which may render the interest on any of the Bonds to be includible in gross income for federal income tax purposes. The City agrees that, to the extent possible under state law, it will comply with whatever federal law is not in effect or which shall be adopted in the future which applies to the Bonds and affects the exempt status of the interest income on the Bonds.

The City, therefore, authorizes the creation by the Treasurer or such other officer as is named by the Financial Services General Manager, of a fund which is hereinafter referred to as the "Rebate Fund". The City will comply with the rebate requirements set forth in the Tax Exemption Agreement and Certificate, delivered in connection with the delivery of the Bonds (the "Tax Agreement").

The Financial Services General Manager of the City or his designee is hereby authorized to execute on behalf of the City the Tax Agreement and to make therein such elections as required by law to assure the purchasers and owners of the Bonds that the proceeds of the Bonds will not be used in a manner which would or might result in the Bonds being "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended, (the "Code") or the regulations of the United States Treasury Department currently in effect or proposed. The Tax Agreement shall constitute a certification, representation and agreement of the City and no investment shall be made of the proceeds of the Bonds herein authorized nor of the money in the account established hereunder in violation of the expectations and covenants prescribed by the Tax Agreement. The Tax Agreement shall constitute an agreement of the City to follow certain covenants which may require the City to take certain actions (including the payment of certain amounts to the United States Treasury) or which may prohibit certain actions (including the establishment of certain funds) under certain conditions as specified in the Tax Agreement.

The City further recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order for interest thereon to be excludible from gross income for purpose of federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the City agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form if such action would cause interest on the Bonds to be included in gross income for federal income tax purposes.

**Section 12. Severability.** If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution. The Mayor and Council hereby declare that the City would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

**Section 13. Ratification of Actions.** All actions of the officers and agents of the City which conform to the purposes and intent of this Resolution and which further the issuance and sale of the Bonds as contemplated by this Resolution whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. Any change made in the Order and Notice of Bond Sale or Notice Inviting Proposals for the Purchase of Bonds which do not conform to the prior order of this Mayor and Council are hereby ratified. The proper officers and agents of the City are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this Resolution.


**Section 14. Emergency.** It is necessary to utilize an emergency clause with this Resolution to make the award of the contract for the purchase of the Bonds effective immediately, thereby committing the purchaser to the interest rates the Bonds will bear, transferring the market risk of changes in interest rate levels from the City to the purchaser and permitting delivery of and payment for the Bonds to occur as soon as is possible.

WHEREAS, the immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety of the City, an emergency is hereby declared to exist, and this Resolution is enacted as an emergency measure and will be in full force and effect from and after its

passage, adoption and approval by the Mayor and Council of the City, and it is hereby exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Scottsdale, Arizona, on September 30, 1991.

CITY OF SCOTTSDALE, ARIZONA,  
a municipal corporation


By   
Herbert R. Drinkwater  
Mayor

ATTEST:

Pluma Minor  
Acting City Clerk

By   
Acting City Clerk

APPROVED AS TO FORM:

  
Richard Garnett  
City Attorney

CHAPMAN AND CUTLER

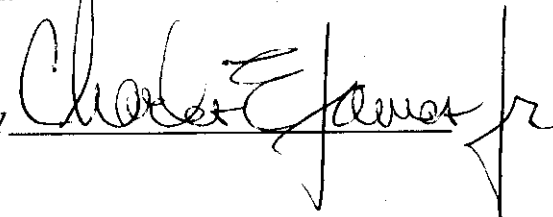
By 



EXHIBIT A

(Face of Bond)

CITY OF SCOTTSDALE, ARIZONA  
GENERAL OBLIGATION BOND  
PROJECT OF 1989, SERIES B (1991)

Number:

Denomination:  
\$ \_\_\_\_\_

Interest  
Rate

Maturity  
Date

Original  
Issue Date

CUSIP

October 1, 1991

Registered Owner:

Principal Amount:

THE CITY OF SCOTTSDALE, ARIZONA (the "City"), for value received, hereby promises to pay to the registered owner identified above, or registered assigns as provided herein, on the maturity date set forth above, the principal amount set forth above, and to pay interest on the unpaid principal amount at the interest rate shown above.

Certain bonds of the issue of which this bond is one are subject to call for redemption prior to maturity in accordance with the terms set forth on the reverse of this bond.

Interest is payable on January 1 and July 1 of each year commencing January 1, 1992, and will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the original issue date set forth above. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Principal, interest and any premium are payable in lawful money of the United States of America. Interest will be paid by check payable in such money drawn on the paying agent and payable to the order of and mailed to the registered owner at the address shown on the registration books maintained by the registrar at the close of business on the record date as explained on the reverse hereof. The principal and any premium

will be paid when due to the registered owner upon surrender of this bond for payment at the designated office of the paying agent, which on the original issue date is the principal corporate trust office of The Valley National Bank of Arizona, Phoenix, Arizona.

See the reverse side of this bond for additional provisions.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this bond exist, have occurred and have been performed and that the issue of bonds of which this is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona, and that due provision has been made for the levy and collection of a direct, annual ad valorem tax upon all of the taxable property in the City for the payment of this bond and of the interest hereon as each becomes due.

The City has caused this bond to be executed by its Mayor and attested by its Clerk, which signatures may be facsimile signatures.

This bond is not valid or binding upon the City without the manually affixed signature of an authorized signatory of the registrar.

CITY OF SCOTTSDALE, ARIZONA

(facsimile)

Mayor

ATTEST:

(facsimile)

Clerk

(CITY SEAL)

AUTHENTICATION CERTIFICATE

This bond is one of the City of Scottsdale, Arizona General Obligations Bonds, Project of 1989, Series B (1991), described in the Resolution mentioned on the reverse hereof.

\_\_\_\_\_,  
as Registrar

By \_\_\_\_\_  
Authorized Signatory

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(Form of Reverse Side of Bond)

This bond is one of an issue of bonds in the total principal amount of \$19,000,000 of like tenor except as to maturity date, rate of interest and number, issued by the City to provide funds to make those certain municipal improvements approved by a majority vote of qualified electors voting at an election duly called and held in and for the City on November 7, 1989, pursuant to a resolution of the Mayor and Council of the City duly adopted prior to the issuance hereof, and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of general obligation bonds, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

For the punctual payment of this bond and the interest hereon and for the levy and collection of ad valorem taxes sufficient for that purpose, the full faith and credit of the City are hereby irrevocably pledged.

Bonds maturing on or before July 1, 2001, are not subject to call for redemption prior to maturity. Bonds maturing on or after July 1, 2002, are subject to call for redemption prior to maturity, at the option of the City, on and after July 1, 2001, in whole at any time, or in part on any January 1 or July 1, by payment of the principal amount of each bond called for redemption plus accrued interest to the date fixed for redemption plus a premium payable from any source lawfully available therefor, the premium to be computed as follows:

<u>Redemption Dates</u>	<u>Premium</u>
July 1, 2001 through June 30, 2002	1%
July 1, 2002 and thereafter	0%

[Bonds maturing on July 1, \_\_\_\_\_, are subject to mandatory redemption on July 1 of each of the years \_\_\_\_\_ to \_\_\_\_\_, inclusive, by lot to be selected by the registrar, at the principal amount thereof and accrued interest to the date fixed for redemption, without premium, in an amount set forth in the authorizing resolution.]

Notice of redemption will be given by mail to the registered owners of the bonds at the address shown on the bond register maintained by the registrar not less than 30 days nor more than 60 days prior to the specified redemption date.

The initial registrar and paying agent is The Valley National Bank of Arizona, Phoenix, Arizona. The registrar or paying agent may be changed by the City without notice.

This bond is transferable by the registered owner in person or by attorney duly authorized in writing at the designated office of the registrar upon surrender and cancellation of this bond, but only in the manner and subject to the limitation and upon payment of the charges provided in the authorizing resolution. Upon such transfer a new bond or bonds of the same aggregate principal amount, maturity and interest rate will be issued to the transferee in exchange. The registrar may require an owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the authorizing resolution. The City has chosen the 15th day of the month preceding an interest payment date as the record date for this issue of bonds, unless such date is a Saturday, Sunday or holiday, in which case the record date will be deemed to be the previous business day. Should this bond be submitted to the registrar for transfer during the period commencing after the close of business on the record date and continuing to and including the next subsequent interest payment date, ownership will be transferred in the normal manner but the interest payment will be made payable to and mailed to the registered owner as shown on the registrar's books at the close of business on the record date.

The registrar may but need not register the transfer of a bond which has been selected for redemption and need not register the transfer of any bond for a period of 15 days before a selection of bonds to be redeemed. If the transfer of any bond which has been called or selected for call for redemption in whole or in part is registered, any notice of redemption which

has been given to the transferor will be binding upon the transferee and a copy of the notice of redemption will be delivered to the transferee along with the bond or bonds.

Bonds of this issue are issuable only in fully registered form in the denomination of \$5,000 each or integral multiples of \$5,000.

The City, the registrar and the paying agent may treat the registered owner of this bond as the absolute owner for the purpose of receiving principal, interest and any premium and for all other purposes and none of them shall be affected by any notice to the contrary.

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The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common	UNIF GIFT/TRANS MIN ACT--
TEN ENT -- as tenants by the	Custodian
entireties	(Cust) (Minor)
JT TEN -- as joint tenants with	Under Uniform Gifts/Transfers
right of survivorship	to Minors Act
and not as tenants in	
common	(State)

Additional abbreviations may also be used though not in list above.

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells,  
assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Transferee)  
the within bond and all rights thereunder, and hereby irrevocably  
constitutes and appoints \_\_\_\_\_,  
attorney to transfer the within bond on the books kept for  
registration thereof, with full power of substitution in the  
premises.

Dated \_\_\_\_\_

\_\_\_\_\_  
Note: The signature(s) on  
this assignment must  
correspond with the name(s) as  
written on the face of the  
within registered bond in  
every particular without  
alteration or enlargement or  
any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
Commercial bank, trust company  
or member of national securities  
exchange